

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 4175

IN THE MATTER OF:

Served September 30, 1993

Application to Transfer)
Certificate No. 163 from WESTSCOT)
LIMITED PARTNERSHIP to CONFERENCE)
CENTER INTERESTS, INC., Trading)
as WESTFIELDS INTERNATIONAL)
CONFERENCE CENTER)

Case No. AP-93-24

By application filed August 11, 1993, WestScot Limited Partnership (WestScot or transferor), a Virginia partnership, and Conference Center Interests, Inc., trading as Westfields International Conference Center (CCI or transferee), a Virginia corporation, (collectively applicants) seek Commission approval of the transfer of Certificate of Authority No. 163 from WestScot to CCI.

Notice of this application was served on August 16, 1993, in Order No. 4151. The order directed applicants to file an affidavit of publication, certain other affidavits addressing potential control issues, and a twelve-month projection of revenue and expense. Applicants complied. The application is unopposed.

SUMMARY OF EVIDENCE

The application includes information regarding, among other things, transferee's corporate status, facilities, proposed tariff, finances, and regulatory compliance record, plus the certificate transfer agreement. Under the transfer agreement, CCI assumed certain of WestScot's liabilities and acquired substantially all of WestScot's assets, including its revenue vehicles and certificate of authority. CCI's proposed tariff is essentially the same as WestScot's current tariff.

Also included is a management agreement between CCI and International Conference Resorts of America, Inc. (ICRA), under which ICRA agrees to manage, operate and maintain the conference center, including associated transportation service. ICRA is the successor to International Conference Resorts of America, L.P., which managed the conference center for WestScot. According to CCI and Commission records, ICRA's wholly-owned subsidiary, ICRA Travel Services, Inc., is a small carrier performing transportation in Arizona and Colorado.

CCI's Vice President and Treasurer certifies on its behalf that transferee has access to, is familiar with, and will comply with the Compact, the Commission's rules and regulations, and United States Department of Transportation regulations relating to transportation of passengers for hire.

CCI filed a balance sheet as of June 30, 1993, showing current assets of \$6,039,235; net fixed assets of \$48,946,039; other assets of \$2,523,348; liabilities of \$54,253,418; and equity of \$3,255,204. CCI's income statement for the six months ended June 30, 1993, shows revenue of \$10,922,782; gross operating profit of \$5,764,603; profit before debt service, corporate expenses, and depreciation/amortization of \$2,176,634; and a net loss of \$506,636. CCI's projected operating statement for the twelve months ending June 30, 1994, shows revenue of \$21,988,118; gross operating profit of \$11,601,886; and profit before debt service, corporate expenses, and depreciation/amortization of \$4,464,786. Judging from CCI's actual experience in 1993, its operations during the projection period should just about break even.

Neither CCI nor any person controlling, controlled by, or under common control with CCI, aside from ICRA, has any control relationship with a carrier other than CCI.

DISCUSSION AND CONCLUSION

Under Title II of the Compact, Article XI, Section 11(a), and Article XII, Section 3, the Commission may approve the transfer of Certificate No. 163 and the management agreement between CCI and ICRA if the Commission finds said transfer and agreement to be in the public interest.¹

Prior to amendment of the Compact in 1991, the public interest analysis would have focused on the transferee's fitness, the fairness of the purchase price, the resulting competitive balance, the dormancy of operating rights, the benefits to the riding public, and the interest of affected employees.² The dormancy inquiry was a means of guarding against the transfer of operating rights which had fallen into such disuse as to no longer serve a public need.³ The purchase price inquiry was necessary to prevent the transferee from passing

¹ In re Philip J. Pearson, t/a Milling Tours, & Keith Jones, No. AP-87-17, Order No. 3073 (Sept. 23, 1987); In re Nation's Capital Sightseeing Tours & Ernest Harrelson, No. AP-86-40, Order No. 2953 (Dec. 22, 1986); In re Beltway Limo. Serv., Inc., & DD Enters., Inc., No. AP-86-08, Order No. 2889 (July 29, 1986); In re Beltway Limo. Serv., Inc., & James M. Smith, Inc., No. 391, Order No. 1736 (Aug. 12, 1977).

² Act of Sept. 15, 1960, Pub. L. No. 86-794, § 3, 74 Stat. 1031 (public interest in mergers under Compact deemed to include interest of affected employees); Order No. 2953 at 2; Order No. 2889 at 3; In re Herbert G. Stephens & Cotter Limo., Inc., No. AP-83-44, Order No. 2508 (Dec. 5, 1983); In re Highview Bus Serv., Inc., & Courtesy Bus Rental Sys., Inc., No. AP-78-47, Order No. 1988 (Apr. 25, 1979).

³ In re Lucille R. Moore, t/a Traveline Tours, & Sam H. Joseph, No. AP-89-34, Order No. 3476 (Mar. 22, 1990).

exorbitant acquisition costs on to captive customers in the form of rate increases.⁴ Public necessity and ratemaking issues are no longer relevant concerns under the amended Compact.⁵

Because CCI is merely stepping into the shoes of WestScot and neither CCI nor ICRA, which will manage CCI's operations, is affiliated with another WMATC carrier, there should be no adverse effect on the competitive balance in the market.⁶ Similarly, since ICRA is the corporate successor to the firm which managed the conference center for WestScot, there should be no adverse effect on conference center employees. In any event, conference center employees have voiced no objection here. The public benefits of CCI's proposed service are self-evident and were established when WestScot first obtained WMATC operating authority.

Based on the evidence in this record, the Commission finds CCI and ICRA⁷ to be fit, willing, and able to perform the proposed transportation properly and to conform with applicable regulatory requirements. The Commission further finds that the transfer of Certificate No. 163 and the management agreement between CCI and ICRA are consistent with the public interest.

THEREFORE, IT IS ORDERED:

1. That the application of WestScot Limited Partnership and Conference Center Interests, Inc., trading as Westfields International Conference Center, for approval of the transfer of Certificate of Authority No. 163 is hereby conditionally granted, contingent upon timely compliance with the requirements of this order.

2. That Conference Center Interests, Inc., trading as Westfields International Conference Center, is hereby directed to file the following documents with the Commission: (a) evidence of insurance pursuant to Commission Regulation No. 58 and Order No. 3623; (b) four copies of a tariff or tariffs in accordance with Commission Regulation No. 55; (c) an equipment list stating the year, make, model, serial number, vehicle number, license plate number (with jurisdiction) and seating capacity of each vehicle to be used in revenue operations; (d) evidence of ownership or a lease as required by Commission Regulation No. 62 for each vehicle to be used in revenue operations;

⁴ Order No. 2953 at 2.

⁵ In re Boston Coach-Wash. Corp., No. AP-93-21, Order No. 4163 (Sept. 13, 1993).

⁶ Id. at 3; In re Vernoy Franklin & Franklin Charter Bus, Inc., No. AP-91-15, Order No. 3799 (Aug. 6, 1991); see In re Peter Pan Bus Lines, Inc., No. AP-93-19, Order No. 4149 (Aug. 11, 1993) (no effect on market from affiliation with non-WMATC carriers).

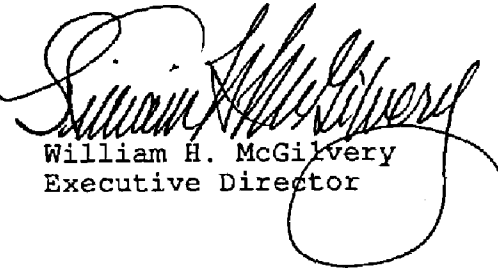
⁷ ICRA's fitness is at issue because it will be managing CCI's operations. In re Nation's Capital Sightseeing Tours & Ernest Harrelson, No. AP-86-40, Order No. 2924 (Nov. 4, 1986); In re Frederick Limo, Inc., & Gaithersburg Limo. Serv., Inc., No. AP-86-25, Order No. 2888 (July 25, 1986); In re Beltway Limo. Serv., Inc., & DD Enters., Inc., No. AP-86-08, Order No. 2834 (Mar. 7, 1986).

(e) proof of current safety inspection of said vehicle(s) by or on behalf of the United States Department of Transportation, the State of Maryland, the District of Columbia, or the Commonwealth of Virginia; and (f) a notarized affidavit of identification of vehicles pursuant to Commission Regulation No. 61, for which purpose WMATC No. 163 is hereby reassigned.

3. That upon timely compliance with the requirements of the preceding paragraph and acceptance of the documents required by the Commission, Certificate of Authority No. 163 shall be reissued to Conference Center Interests, Inc., trading as Westfields International Conference Center, 14750 Conference Center Drive, Chantilly, VA 22021.

4. That unless Conference Center Interests, Inc., trading as Westfields International Conference Center, complies with the requirements of this order within 30 days from the date of its issuance, or such additional time as the Commission may direct or allow, the grant of authority herein shall be void and the application shall stand denied in its entirety effective upon the expiration of said compliance time.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS DAVENPORT, SCHIFTER, AND SHANNON:



William H. McGilvery
Executive Director